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E.O. 12958: DECL: 08/28/2029
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SUBJECT: EL SALVADOR STILL UNDECIDED ON JOINING PETROCARIBE

Classified By: CHARGE D'AFFAIRES ROBERT BLAU, REASONS 1.4(B) and (D)

¶1. (C) Vice Foreign Minister for External Cooperation Jaime Miranda told Econcouns August 28 that President Funes remained undecided on whether to join Petrocaribe. The Salvadoran press had reported in early August that Miranda would be starting negotiations with the Government of Venezuela, but Miranda advised the GOES had only held general talks on cooperation with Venezuela through their new Ambassador to Caracas. According to Miranda, the GOES is still discussing the pros, primarily below-market price oil, and cons for El Salvador of Petrocaribe and other Venezuelan assistance. In the short-term, Miranda added, their cooperation agenda was focused on Brazil, from whom they were about to receive a new development loan, Chile, Colombia, and President Funes's visit to the UN General Assembly in September.

¶2. (C) COMMENT: The GOES's approach to Petrocaribe is consistent with the pragmatic foreign policy we have seen the new government adopt during its first three months. The new Ambassador to Venezuela, however, is part of the hard-line FMLN and may have been the one driving press coverage, trying to push the GOES towards the FMLN's favored position. An aide to Funes told us earlier in the week that during his pre-inaugural trip to Caracas, Funes was livid with the FMLN hard-liners who accompanied him and made their own meeting schedules with Funes's clearance.
BLAU